

By the Committee on Commerce and Economic Opportunities; and
 Senator Kirkpatrick

310-1914B-99

1 A bill to be entitled
 2 An act relating to economic development;
 3 creating the "21st Century Digital Television
 4 and Education Act"; providing legislative
 5 findings and intent; creating the 21st Century
 6 Digital Television and Education Task Force;
 7 providing membership; providing duties;
 8 providing for a report; amending s. 212.08,
 9 F.S.; providing an exemption from the tax on
 10 sales, use, and other transactions for
 11 machinery or equipment purchased or leased for
 12 use in the production, transmission, receipt,
 13 or redistribution of digital television
 14 signals; defining the term "machinery and
 15 equipment" for purposes of such exemption;
 16 providing an effective date.

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 18 Be It Enacted by the Legislature of the State of Florida:

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 20 Section 1. Twenty-first Century Digital Television and
 21 Education Act.--

22 (1) Short title.--This act may be cited as the "21st
 23 Century Digital Television and Education Act."

24 (2) Legislative findings and intent.--The Legislature
 25 finds that the federally mandated transition from analog to
 26 digital television will provide numerous new, improved, and
 27 innovative information and entertainment services to the
 28 public. The Legislature further finds that, whereas all
 29 commercial and noncommercial television markets in the United
 30 States must begin digital broadcasts by no later than May,
 31 2003, it is in the interest of the state to facilitate the

1 conversion of existing television stations, studios, networks,
2 and production companies to digital technology as well as to
3 encourage new companies involved in digital television and
4 related industries to locate in Florida. It is therefore the
5 intent of the Legislature to investigate and create the
6 economic incentives and educational opportunities necessary to
7 position Florida as a 21st century leader in the production,
8 transmission, manufacturing, and research and development of
9 digital television and related digital communication.

10 (3) Task force; membership; duties.--

11 (a) The "21st Century Digital Television and Education
12 Task Force" is hereby created to serve through February 1,
13 2000. The task force is created within the Office of Tourism,
14 Trade, and Economic Development, which shall provide staff
15 support for the activities of the taskforce. The task force
16 shall consist of the following members:

17 1. Two members to be appointed by the Governor.

18 2. Two members of the Senate, or their designees, to
19 be appointed by the President of the Senate.

20 3. Two members of the House of Representatives, or
21 their designees, to be appointed by the Speaker of the House
22 of Representatives.

23 4. The Commissioner of Education or the commissioner's
24 designee.

25 5. The Chancellor of the State University System or
26 the chancellor's designee.

27 6. The Executive Director of the State Community
28 College System or the executive director's designee.

29 7. The President of the Independent Colleges and
30 Universities of Florida or the president's designee.

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1 (b) Each appointed member of the task force shall
2 serve at the pleasure of the appointing official. A vacancy on
3 the task force shall be filled in the same manner as the
4 original appointment.

5 (c) The task force shall elect a chair from among its
6 members. A vacancy in the chair of the task force must be
7 filled for the remainder of the unexpired term by an election
8 of the task force members.

9 (d) The task force shall meet as necessary, at the
10 call of the chair or at the call of a quorum of the task
11 force, and at the time and place designated by the chair. A
12 quorum is necessary for the purpose of conducting official
13 business of the task force. Six members of the task force
14 shall constitute a quorum. The task force shall use accepted
15 rules of procedure to conduct its meetings and shall keep a
16 complete record of each meeting.

17 (e) Members of the task force shall receive no
18 compensation for their services, but shall be entitled to
19 receive per diem and travel expenses as provided in s.
20 112.061, Florida Statutes.

21 (f) The Task Force shall act as an advisory body and
22 shall make recommendations to the Governor and the Legislature
23 on a coordinated plan to carry out the legislative intent of
24 this act. The task force shall have the following duties:

25 1. Devise a plan to recruit the following industry
26 segments to locate in Florida:

27 a. Digital programmers and producers, including
28 companies involved in the production, marketing, and
29 development of digital content, as well as studios, networks,
30 and television stations.

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1 b. Companies involved in the transmission of digital
2 media, including television broadcasters, cable and satellite
3 companies, television, theater, and film industry members,
4 Internet content providers, web site producers, and other
5 information service providers.

6 c. Digital television equipment manufacturers,
7 including makers of digital video cameras, audio equipment,
8 transmission equipment, television sets, set-top boxes and
9 related hardware, monitors, displays, tapes, and discs.

10 d. Companies involved in the research and development
11 of new and innovative digital television equipment, consumer
12 electronics, prototypes, and products.

13 2. Investigate and recommend strong economic
14 incentives to encourage the digital industry segments
15 described in subparagraph 1. to locate and compete in Florida.

16 3. Devise a plan to create and maintain higher
17 education opportunities for students wishing to enter the
18 digital television field. At minimum, the plan shall consider
19 and address the following:

20 a. The extent to which higher education opportunities
21 are currently available to students in the areas of digital
22 production, transmission, manufacturing, and research and
23 development.

24 b. The workforce needs of the digital television
25 industry segments described in subparagraph 1.

26 c. Recommendations and an operational plan for
27 creating and maintaining higher education opportunities in
28 digital television production, transmission, manufacturing,
29 and research and development.

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1 d. Any other recommendations to encourage and promote
2 the development of a skilled workforce in digital broadcast
3 communications and high-definition television.

4 4. Recommend methods to hasten the conversion of
5 existing commercial television studios and soundstages from
6 analog to digital technology.

7 5. Recommend a means to fund the cost of converting
8 public broadcast stations from analog to digital technology,
9 including a grant program for Florida Public Television.

10 6. Issue a report to the Legislature no later than
11 February 1, 2000, summarizing its findings, stating its
12 conclusions, and proposing its recommendations.

13 Section 2. Paragraph (f) of subsection (5) of section
14 212.08, Florida Statutes, 1998 Supplement, is amended to read:

15 212.08 Sales, rental, use, consumption, distribution,
16 and storage tax; specified exemptions.--The sale at retail,
17 the rental, the use, the consumption, the distribution, and
18 the storage to be used or consumed in this state of the
19 following are hereby specifically exempt from the tax imposed
20 by this chapter.

21 (5) EXEMPTIONS; ACCOUNT OF USE.--

22 (f) Motion picture or video equipment used in motion
23 picture or television production activities and sound
24 recording equipment used in the production of master tapes and
25 master records; property purchased or leased to produce,
26 transmit, receive, or redistribute digital television
27 signals.--

28 1. Motion picture or video equipment and sound
29 recording equipment purchased or leased for use in this state
30 in production activities is exempt from the tax imposed by
31 this chapter upon an affirmative showing by the purchaser or

1 lessee to the satisfaction of the department that the
2 equipment will be used for production activities.

3 2. There is exempt from the tax imposed by this
4 chapter all machinery or equipment purchased or leased in this
5 state for use by a television studio, television network,
6 television production company, or federally licensed
7 television station or cable television company in the
8 production, origination, broadcast, transmission, receipt, or
9 redistribution of digital television signals.

10 3. The exemptions ~~exemption~~ provided by this paragraph
11 shall inure to the taxpayer only through a refund of
12 previously paid taxes. Notwithstanding the provisions of s.
13 212.095, such refund shall be made within 30 days of formal
14 application, which application may be made after the
15 completion of production activities or on a quarterly basis.
16 Notwithstanding the provisions of chapter 213, the department
17 shall provide the Department of Commerce with a copy of each
18 refund application and the amount of such refund, if any.

19 4.2. For the purpose of the exemption provided in
20 subparagraph 1.:

21 a. "Motion picture or video equipment" and "sound
22 recording equipment" includes only equipment meeting the
23 definition of "section 38 property" as defined in s.
24 48(a)(1)(A) and (B)(i) of the Internal Revenue Code that is
25 used by the lessee or purchaser exclusively as an integral
26 part of production activities; however, motion picture or
27 video equipment and sound recording equipment does not include
28 supplies, tape, records, film, or video tape used in
29 productions or other similar items; vehicles or vessels; or
30 general office equipment not specifically suited to production
31 activities. In addition, the term does not include equipment

1 purchased or leased by television or radio broadcasting or
2 cable companies licensed by the Federal Communications
3 Commission.

4 b. "Production activities" means activities directed
5 toward the preparation of a:

6 (I) Master tape or master record embodying sound; or

7 (II) Motion picture or television production which is
8 produced for theatrical, commercial, advertising, or
9 educational purposes and utilizes live or animated actions or
10 a combination of live and animated actions. The motion picture
11 or television production shall be commercially produced for
12 sale or for showing on screens or broadcasting on television
13 and may be on film or video tape.

14 5. For the purpose of the exemption provided in
15 subparagraph 2., the term "machinery and equipment" means
16 machinery or equipment as described in 47 C.F.R., part 73, or
17 "section 38 property" as defined in s. 48(a)(1)(A) and (B)(i)
18 of the Internal Revenue Code, purchased or leased in this
19 state for use by a television studio, television network,
20 television production company, or federally licensed
21 television station or cable television company in the
22 production, origination, broadcast, transmission, receipt, or
23 redistribution of digital television signals.

24 Section 3. This act shall take effect upon becoming a
25 law.

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STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
COMMITTEE SUBSTITUTE FOR
Senate Bill 1564

Provides for the creation of the "21st Century Digital Television and Education Task Force" within the Office of Tourism, Trade, and Economic Development, which must provide staff support for the activities of the task force. Prescribes the membership and duties of the task force, including the development of recommendations on a coordinated plan to position the state as a leader in digital television and related digital communications.

Provides for a sales tax exemption for certain machinery or equipment purchased or leased for use in the production, origination, broadcast, transmission, receipt, or redistribution of digital television signals.